

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3556-02
Bill No.: HB 1551
Subject: Business and Commerce; Crimes and Punishment; Law Enforcement Officers and Agencies
Type: Original
Date: March 30, 2010

Bill Summary: The proposal regulates sexually oriented businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety – Missouri State Highway Patrol, – Director’s Office, Missouri House of Representatives, Missouri Senate, Boone County Sheriff’s Department, City of Centralia, and Cass County** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General (AGO)** assume that costs of implementation of this proposal could be absorbed within existing resources. However, due to the nature of provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown but assumed to be less than \$100,000.

Oversight assumes the AGO can absorb any increased costs within existing resources and reflects no fiscal impact. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Prosecution Services** assume the proposal would have no measurable fiscal impact the Office of Prosecution Services or county prosecutors.

Officials from the **Columbia Police Department** assume the proposal would have a small fiscal impact to other city departments that would be responsible for inspections. Officials assume there would be little if any impact to the police department.

Officials from the **City of Kansas City (CKC)** assume this legislation would have a negative fiscal impact on the CKC. If the proposal were to become law, there are several factors that could impact CKC with regard to a financial impact as there are many proposed changes that may and would affect the existing adult entertainment businesses:

First, section 573.531.3 would no longer allow any adult entertainer to appear nude while dancing. This would have an impact on three (3) businesses that are currently licensed and operating in the City of Kansas City, Missouri.

ASSUMPTION (continued)

Second, section 573.531.4 would only allow an entertainer to perform for a customer on a fixed stage at least six feet from all patrons while the stage would have to be at least eighteen inches from the floor in a room of at least six hundred square feet. This would have an impact on three (3) businesses that are currently licensed and operating in the City of Kansas City, Missouri.

Third, according to section 573.531.6(1), sexually oriented licensed businesses would have to change the configurations of their buildings within 180 days according to the newly proposed 573.531.7. This would have a costly impact on seven (7) businesses that are currently licensed and operating in the City of Kansas City, Missouri.

Finally, according to section 573.531.8, all sexually oriented businesses would have to shut down between the hours of 12 midnight and 6:00 a.m. This would have an impact on all thirteen (13) businesses that are currently licensed and operating in the City of Kansas City, Missouri.

CKC assume the legislation could cause a loss of annual licensing fees of approximately \$6,500 per year. CKC also assumes this change could affect the number of adult entertainment permits and adult entertainment manager permits issued each year. Last year, CKC issued 852 adult entertainment permits and 47 adult entertainment manager permits.

Oversight assumes cities and counties statewide could incur a loss of licensing and permitting fee revenue. Oversight assumes the statewide impact on cities and counties to be less than \$100,000 per year.

Officials from the Buchanan County Sheriff's Department, Clark County Sheriff's Department, Columbia Police Department, Independence Police Department, Kansas City Police Department, Platte County Sheriff's Department, Springfield Police Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department, St. Louis Metropolitan Police Department, Various Cities, and Various Counties did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2011
(10 Mo.)

FY 2012

FY 2013

LOCAL GOVERNMENT

Losses – Cities and Counties

Licensing fees

(Less than
\$100,000)

(Less than
\$100,000)

(Less than
\$100,000)

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENT**

(Less than
\$100,000)

(Less than
\$100,000)

(Less than
\$100,000)

FISCAL IMPACT - Small Business

Small businesses that are sexually oriented in nature could experience a fiscal impact as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation establishes the Community Protection Act which regulates sexually oriented businesses by limiting their geographic location, ownership interests, state of dress and actions of persons within the sexually oriented business, minimum age of patrons, use or sale of alcohol on site, hours of operation, and location of private viewing booths within the sexually oriented business and specifies the penalties for violations of these restrictions. Any person, business, or entity violating or refusing to comply with the provisions of the bill will be guilty of a misdemeanor and will be fined up to \$500, imprisoned for up to 90 days, or both.

Political subdivisions are not prohibited from enacting or enforcing and are specifically authorized to enact and enforce a local ordinance that is stricter if it is consistent with the act. County voters, by initiative petition, may require the county commissioner to enact and enforce a local ordinance that is stricter if it is consistent with the act.

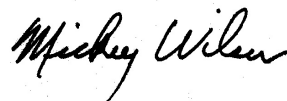
This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of State Courts Administrator
Department of Public Safety
 – Missouri State Highway Patrol
 – Director's Office
Missouri House of Representatives
Office of Prosecution Services
Missouri Senate
Boone County Sheriff's Department
Columbia Police Department
Cass County
City of Centralia
City of Kansas City

NOT RESPONDING

**Buchanan County Sheriff, Clark County Sheriff, Independence Police Department,
Jackson County Sheriff, Jefferson City Police Department, Kansas City Police Department,
Platte County Sheriff, Springfield Police Department, St. Charles Police Department, St.
Joseph Police Department, St. Louis County Police Department, St. Louis Metropolitan
Police Department, Various Cities, Various Counties**



Mickey Wilson, CPA
Director
March 30, 2010